Bigblu Broadband plc

('BBB', the 'Company' or the 'Group')

Audited final results for the year ended 30 November 2021

Above market expectations and positioned for growth in FY 2022

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast and ultra-fast broadband services, announces its audited results for the year ended 30 November 2021.

The last 18 months have been transformational for the Group following a period of consolidation of the Satellite Market in Europe and further afield. In late 2020, the Company successfully disposed of its UK and European Satellite operations to Eutelsat S.A. ("Eutelsat") and in 2021, the Company disposed of its holding in QCL Holdings Limited (the "Disposal"), the holding company for Quickline Communications Limited ("Quickline"), to global private markets investment firm Northleaf Capital Partners ("Northleaf").

Following the cash from the successful disposals being received by the Company, not only did the Company pay down its outstanding debt in its entirety, but the Board also chose to implement a payment to Shareholders by way of a Return of Capital through a bonus issue of a new class of B Shares "B Share Scheme" which the Company redeemed for cash, in order to return 45 pence per existing ordinary share to shareholders, in the most efficient manner possible, whilst maintaining their pro rata interest in the Company.

BBB now has a robust platform from which to grow the remaining businesses and is well positioned in the satellite, fixed wireless and 5G broadband markets in the territories in which it operates. The Board believes that BBB is firmly on the front foot with a strong balance sheet and remains focused on maximising and delivering shareholder value from each of the Company's remaining businesses; Australasian operations (Skymesh Pty Limited) based in Brisbane and the Nordics operations based in Oslo (Bigblu Norge AS) (the "Continuing Group"). BBB also has a residual interest in Quickline in the form of equity, loan notes and potential deferred cash consideration.

Financial Highlights – Continuing Operations

- Total revenue increased 15.8% to £27.1m (FY20: £23.4m)
- Like for like[1] revenue growth on a constant currency basis of 15.3% (FY20: 4.3%)
- Adjusted EBITDA[2] increased 11.1% to £4.6m (FY20: LFL[1] £4.1m)
- Adjusted PAT[3] improved to £2.5m (FY20: £1.1m)
- Reported Profit for the period was £27.0m including profit on the disposal of Quickline
- Adjusted EPS[4] profit of 4.3p (FY20: profit 1.9p) with Reported EPS of 46.9p (FY20: 16.8p)
- Adjusted Operating cash inflow[5] of £5.2m (FY20: Outflow £0.4m)
- Adjusted Free cash inflow[5] of £2.1m (FY20: Outflow £2.6m) following capital investment of £2.2m and before exceptional items of £3.9m
- Net cash[6] was £5.2m, after debt repayment in full of £8.4m and return of capital of £26.1m (FY20: Net cash £7.4m with LFL £5.2m)

Financial Highlights – Total Operations (Including Quickline)

- Total revenue for the Group was £30.3m (FY20: LFL[1] £27.2m)
- Adjusted EBITDA for the Group was £5.3m (FY20: LFL[1] £4.6m)

Operational Highlights

- Successful disposal of the Company's shareholding in Quickline to Northleaf, for a consideration of up to £48.6m, comprising £31.1m cash, up to a maximum £10.1m deferred consideration and £7.4m rolled equity and loan note investment, representing a return of up to 5.8x the cost of BBB's investment over a three-year period and an initial book gain of £25.9m.
- Total customers as at 30 November - 59k (FY20: 57k).
- Strong organic growth in customer numbers in Australia offset by continued pressure on customer numbers in the Nordics due to exceptional churn relating to the phased demounting of loss-making sites.
- SkyMesh has become the clear market leader in Australia having been named Best Satellite NBNCo Provider for three years in a row to 2021.
- Regional expansion into New Zealand through secured Partnership Agreement with Kacific and first customers installed.
- Completion of Bigblu Norge's infrastructure upgrade and demounting of unprofitable site program within target timelines and at a lower cost than budgeted.
- Bigblu Norge has also recently entered into a distribution agreement with Telenor to provide next generation ultrafast broadband via wireless 5G delivering speeds up to 500 Mbps with unlimited data packages and although running six months behind due to equipment shortages, has successfully delivered its first customers in Norway on this service and momentum is building with great customer satisfaction.

Post Period End Highlights

- Acquisition of customers and assets of Clear Networks (Pty) in Australia
- BB Norge appointed a new Managing Director Stig Myklebust from the 1 February 2022 to strengthen the management team

[1]Like for like (LFL) revenue treats acquired businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency and business disposed of in the period are excluded from the calculation.

[2]Adjusted EBITDA is stated before interest, taxation, depreciation, amortisation, share based payments and exceptional items. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges.

[3] Adjusted PAT represents adjusted EBITDA less interest, taxation, depreciation, and amortisation.

[4] Adjusted EPS is adjusted PAT divided by the weighted average number of shares over the period.

[5] Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items. Adjusted Free cash flow being cash (used)/generated by the Group after investment in capital expenditure, servicing of debt and payment of taxes. Both excludes exceptional items.

[6] Cash / Net debt excludes lease-related liabilities of £1.1m of under IFRS 16 (FY20 £2.5m).

Financials

Total Group revenues (including Quickline to the date of disposal) for the year to 30 November 2021 were £30.3m and adjusted EBITDA for the year was £5.3m.

Total Continuing Group revenues for the year to 30 November 2021 were £27.1m (FY20: £23.4m). Like for like total Continuing Group revenues for the year to 30 November 2021 on a constant currency basis up 15.3% (FY20: 4.3%). Total Continuing Group adjusted EBITDA was £4.6m (FY20: £4.1m). As at 30 November 2021, total customers were 59k.

As at 30 November 2021, the net cash position of the Group was £5.2m (FY20 £7.4m net cash, LFL £5.2m) having used £8.4m of the consideration received on the disposal to pay down debt in full and having returned £26.1m to shareholders. The Group has also renegotiated a new £5m revolving credit facility with Santander, which remains undrawn at the year end.

The Group has a very clear focus to continue to deliver shareholder value. It will seek to further grow its presence in Australia, where it is already the market leader, along with expansion into New Zealand. The focus for the Nordics is to revitalise the customer proposition having undertaken the upgrade and demounting projects in 2021.

Overall, the Group's financial performance has been robust despite the wider impact of the COVID-19 pandemic on the global business environment. The Board is delighted that the Group has been able to service its customers well throughout the pandemic whilst also delivering a strong financial performance.

COVID-19

The business continues to plan a flexible response with regard to the continued concerns of COVID-19. The Group’s response is based on following guidance and legislation from the local government and health authorities in the territories in which it operates. Managers have identified those employees who are able to work remotely and will continue to allow employees to practise “social distancing” when they are within Company offices. The external IT team (Kick ICT) are working to allow greater numbers of people to work remotely so that the Company can maintain a full operation if further restrictions are placed on travel or assembly. In all territories, the Group has reinforced messages around the importance of workplace and personal hygiene as the best preventative measure and are advising individuals to follow public health guidance should they develop symptoms or if they have been exposed to confirmed cases.

Outlook

Having repaid bank debt in full and established a net cash positive position, the Group is continuing to generate positive underlying operating cashflows from its Continuing Operations.

The Board is focused on maximising value and returns for shareholders and the combination of balance sheet strength, favourable market dynamics and opportunities available to its business units provides a strong backdrop for delivering enhanced shareholder value.

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About Bigblu Broadband plc

Bigblu Broadband plc (AIM: BBB.L), is a leading provider of alternative superfast and ultrafast broadband solutions throughout Australasia and the Nordics. BBB delivers a portfolio of superfast and ultrafast wireless broadband products for consumers and businesses unserved or underserved by fibre.

High levels of recurring revenue, increasing economies of scale and Government stimulation of the alternative broadband market in many countries provide a solid foundation for significant organic growth as demand for alternative ultrafast broadband services increases around the world.

BBB's range of solutions includes satellite, next generation fixed wireless and 4G/5G delivering between 30 Mbps and 150 Mbps for consumers, and up to 1 Gbps for businesses. BBB provides customers a full range of services including hardware supply, installation, pre- and post-sale support, billings and collections, whilst offering appropriate tariffs depending on each end user's requirements.

Importantly, as its core technologies evolve, and more affordable capacity is made available, BBB continues to offer ever-increasing speeds and higher data throughputs to satisfy market demands for broadband and broadband services. BBB's alternative broadband offerings present a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart phones via a normal wired or wireless router.

CHIEF EXECUTIVE'S REPORT

2021 was another important year for the Group, with the Disposal of the Group's majority interest in Quickline, the UK fixed wireless business, to Northleaf. Following completion in June 2021, BBB's remaining operations consist of our Australasian operations and our Nordics business. The Company also continues to hold a minority interest in Quickline.

In the six years since listing, the Group has successfully executed its strategy of becoming a leading provider of rural broadband solutions, realising shareholder value through the disposals of its UK and European satellite operations and Quickline, and has established a market leading presence in Australasia, via SkyMesh and a strong Nordics presence.

The Directors consider that the Group has created a strong value proposition by combining management experience and core IT systems which enable the Group to control costs, increase margins and average revenues per user (ARPU). The Directors believed that the disposals in 2020 and 2021 not only realised significant value for the Company's shareholders but left the business with a robust platform for growth and an established position across our markets from which to grow and service our customers. At the same time, the Group has focused on reducing costs to align these to the relative size of the business.

The Continuing Group

Following the Disposal, the Continuing Group has two distinct businesses with 59k customer connections and given their respective strengths, each of the business units has potential opportunities to enhance further shareholder value.

A review of Continuing Operations:

Australasia

Our SkyMesh business continues to be the leading Australian satellite broadband service provider. For the year ended 30 November 2021, total revenues from SkyMesh were £21.8m, adjusted EBITDA of £4.0m and as at 30 November 2021, Skymesh had 50k customers (FY20: 46k). Having been named Best Satellite NBNCo Provider in 2019, 2020 and again in 2021, SkyMesh continues to secure over 50% market share of net new satellite adds under the NBNCo scheme as demand continues to grow for the Sky Muster Plus product. SkyMesh is seeing growth in the business sector subsequent to the release of a new business focused product by NBNCo and this momentum will continue into 2022.

Having assessed the opportunity in this region, we continue to believe that, whilst the organic growth remains highly impressive, this growth could be complemented by certain partnerships or acquisitions that could accelerate the Group's presence into the wider Australasia region. As announced in February 2021, SkyMesh signed an agreement with Kacific to provide services into New Zealand and has signed its first customers in December 2021. In addition, post-period end, the Company completed the acquisition of certain assets and customers from Clear Networks (Pty) Ltd ("Clear"). Clear is an Australian ISP based in Melbourne offering a suite of NBNCo broadband products, as well as a private fixed wireless network primarily serving the greater Melbourne area. This acquisition has helped the Company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia.

Overall, the Board continue to believe that there are excellent growth opportunities for SkyMesh to not only increase its presence in its core market of Australia but also to expand its reach across the Australasian region.

Nordic Region

Our Nordics business, Bigblu Norge, has a large in country footprint and has historically delivered strong EBITDA and Free Cash Flow. However, over recent years the performance of the region has proved a challenge as the Company's offering in the region suffered from high levels of customer churn due, in the Board's opinion to low broadband speeds and increased competition from fibre offerings as well as the loss of customers as the company demounted loss making sites. The challenges experienced in the Nordic region in the period saw a reduction in both revenue and adjusted EBITDA. Total revenue from the Nordics for the year ended 30 November 2021 was £4.6m and adjusted EBITDA was £1.9m.

As previously announced, in order to address these challenges, the Group focused on upgrading its existing infrastructure including 55 towers so as to be able to offer speeds up to 100Mbps to over 1500 customers whilst also demounting 100 loss making sites. The Board believes that this demounting of loss-making sites will help the region to make great strides in improving its EBITDA. The Company ended the period on 9k customers in the region (FY20: 11k), which includes the loss of 4k customers as a result of the withdrawal of the loss-making demounted sites together with underlying growth of 2k customers.

The Board believes that it now has a clear plan in place to diversify the Company's customer offering in the Nordics and broader routes to market are expected to help drive customer growth. Through a distribution agreement with Telenor, we have started offering our new 5G Fixed Wireless product with speeds up to 500Mbps and unlimited data packages. Due to delays in equipment availability, this 'white-label' initiative is running approximately six months behind schedule and as a result, this new 5G Fixed Wireless product was launched during Q1 2022. The Board believes that this initiative will allow us to complete our strategy of delivering a high-quality broadband experience to all customers wherever they reside: we will deliver true wireless broadband to all end roads and rural areas. In addition, the Company continues to expand its offerings through partnerships and resellers, as well as reaching out to the Finnish and Swedish markets.

More recently, one of our Satellite network partners that has customers in the Ukraine was targeted by a cyber event caused by the terrible situation in Ukraine. This event has impacted c.3k of the Company's Norwegian satellite customers. Progress has been made in the resolution of the cyber event and the Nordic team are in regular dialogue with the network provider on solutions and timescales and also with our customers to ensure that they are supported as far as possible. However, should this not be resolved rapidly, a prolonged period without service may result in increased level of churn from the impacted customers.

Whilst these are near term difficulties to be addressed in the region, overall, the Directors consider that the Group's ability to offer Fixed Wireless Access, satellite and 5G solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region and create further shareholder value.

Continuing Operations Performance

Net organic customer growth in 2021, was approximately 6k (excluding the 4k loss of customers in the Nordics following the demounted loss-making sites), resulting in a closing continuing customer base of 59k (FY20 57k).

Total revenue including recurring airtime and other income (equipment sales and installation sales) covering continuing operations for 12 months shows a solid underlying performance of £27.1m (FY20: £23.4m) with revenue growth of 15.8%.

Revenue in satellite was £21.7m, up on prior year by 26% (FY20: £17.2m) due in the main to strong customer growth in Australasia. Revenue in fixed wireless was £4.6m, down on prior year by 27% (FY20: £6.2m) due to the demounting of the loss-making sites which is now complete in the Nordics.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts at £25.6m represented 94% of total revenue (FY20 £21.1m represented 89% of total revenue).

Average Revenue Per User ("ARPU") increased 7% year on year to £39.30 (FY20: £36.65) due in the main to a higher percentage mix of larger packages across the regions. Average customer churn reduced fractionally to 21.3% (FY20: 21.7%).

Adjusted EBITDA for the period was £4.6m, showing a solid underlying performance, and representing an adjusted EBITDA margin of 17% compared to £4.1m in FY20 on a like for like basis and an adjusted EBITDA margin of 17%. This continues to demonstrate the good progress made in driving the quality of the consumer offering, the margin review work being undertaken and improving cost efficiencies. Importantly, the Group exceeded both its internal and market expectations for its revenue, EBITDA and Cash targets for Continuing Operations, despite the Global challenges posed by COVID-19.

Discontinued operations

Quickline

In December 2020, Quickline won the competitive tender to provide significantly improved broadband speeds to premises across North Yorkshire. This was the fourth tender that Quickline had won under the BDUK Superfast Programme since August 2020 with the four broadband contracts being valued at around £30m.

Following an approach, the Group sold its majority holding in Quickline Communications ("Quickline") to global private markets investment firm Northleaf Capital Partners ("Northleaf") during the period. The Disposal valued BBB's shareholding in Quickline at up to £48.6 million, representing a return of up to 5.8x the cost of its investment over a three-year period.

The Group received £31.1 million in cash on completion, with up to a further £10.1 million payable as deferred contingent consideration that is subject to certain performance conditions being met by no later than 31 March 2022, or in certain circumstances, 31 May 2022.

In addition, the Group retained an interest in the new holding company structure, including both equity and loan notes, which was valued at the time of transaction at up to £7.4m.

As disclosed when the Disposal was announced, the deferred contingent consideration is dependent on achieving certain roll-out and subsidy milestones. Whilst progress is being made in scaling up the organisation in terms of people and systems, the continued global shortage of microchips affecting the supply of 5G radio equipment means that the milestones required to deliver the maximum amount due for the deferred contingent consideration are unlikely to be met in full, partially reducing the amount payable. The Board continues to work closely with Quickline to maximise the deferred contingent consideration payable to the Group.

Accelerating Technology Evolution

Products

Our fixed wireless business in the Nordics has benefited from significant advances in technology, improving speeds and throughput by the recent investment made by the Group through an upgrading program which is now complete. In addition, the Nordics have entered the 5G market through an agreement with Telenor allowing the Group to promote a 'white-label' offering of self-install wireless broadband, which is a niche product and, although it has run approximately six months behind schedule, will allow the Group to target a far wider customer audience across Norway.

Thanks to our partnerships on Satellite broadband access, we have also been able to stabilise our customer base allowing us to now have a good foundation for the launch of the next generation satellites over the next years.

Across Australasia, SkyMesh expects to be able to offer a fibre like service via Satellite from the sky, with 100 Mbps download speeds, <70 milli-second latency and unlimited data allowances across its key territories over the next couple of years with the launch of significant new satellite capacity. With the acquisition of Clear Networks there will also be an increased focus on the business market and expansion into the fixed wireless market with a view to combining satellite and fixed wireless technologies to offer high quality services to both the residential and business sectors in regional and remote areas.

Marketing

We use a digital-first strategy to both acquire and retain new and existing customers. For customer acquisition, we target in-market prospects based on geography, broadband speed and purchase intent. Channels used vary depending on in-country results, blending Facebook, Google, Bing and lead-generation partners in order to achieve our internal KPI's in terms of cost per lead and cost per activation. We deploy a suite of engaging content from ad copy, through to static display ads and customer testimonial videos. Most important of all is word of mouth or customer referral, hence the importance of looking after our existing customers as clearly demonstrated in our Australasian business.

Continued Government Support

We remain focused on helping governments in our current markets to achieve their targets of delivering ultrafast and gigabit capable broadband connections nationwide. We remain convinced that it will be difficult for governments to meet these challenging targets without the use of alternative technologies such as fixed wireless and satellite broadband. Indeed, many governments have already launched 'intervention schemes'. These are aimed at stimulating the market and educating consumers about the options available to them - given that fixed fibre broadband to the premises is unlikely to become a reality for many customers.

In Australia, SkyMesh commanded a 50% market share of net new adds under the Government funded NBNCo scheme during the last financial year. This performance has continued into Q1 FY22.

Post Balance Sheet Events

We highlight the following post balance sheet events:

SkyMesh, Australia

The Company completed the acquisition of customers and certain business assets from Clear Networks (Pty) Ltd ("Clear") in January 2022. Clear is an Australian ISP based in Melbourne offering a suite of NBNCo broadband products, as well as a private fixed wireless network serving primarily the greater Melbourne area. This acquisition has helped the company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia. Clear has 2.2k customers (3k connections) which were acquire for an initial purchase price of AUS$2.4m (£1.3m) with a further maximum earn out potential of up to AUS$0.5m (£0.3m). The earn out based on the total contract value of the sales pipeline delivered in the 12 months post completion.

Current Trading

The Group has positioned itself at the forefront of the alternative super-fast and ultrafast broadband industry in its chosen markets. The Group's product portfolio and expanding routes to market mean that it remains one of the largest and most recognised companies in the geographies where we are present.

During the current year to date, the Group has continued to show year on year growth while still benefiting from the strong visibility afforded by the high percentage of recurring revenues. Our Australasian operations are demonstrating robust year on year performance. As noted above, our Nordics business still has a number of headwinds to overcome including the cyber event on one of our Satellite network providers into the Nordic region which is impacting c.3k customers but with the new Management team in Norway we remain positive for the region. We believe we will continue to deliver Group year on year growth.

In the current environment, we continue to monitor potential impacts on the business of COVID-19, in which we continue to support staff and customers during these difficult times.

We develop products and solutions with our network partners that will enable customers to operate as effectively as possible, particularly at a time where increasing numbers of customers are likely to be working from home, whether full time or part time.

The Board believes that the Group has, in its Continuing Operations, valuable assets that have established a meaningful market position in each of their respective territories and the Board therefore believes that it is well positioned to ensure it can continue to focus on maximising and delivering enhanced shareholder value.

Andrew Walwyn
CEO
21 March 2022

FINANCIAL REVIEW

2021 was another significant year for the Group having exceeded both its internal and market expectations for its Revenue, EBITDA and Cash targets for Continuing Operations, despite the Global challenges posed by COVID-19. In addition, the Group repaid all bank debt (£8.4m) and returned £26.1m to shareholders by way of a bonus issue of a new class of B shares, which the Company redeemed for cash in order to return 45 pence per Ordinary Share to Shareholders.

The focus of the Board now turns to creating additional shareholder value from the Continuing operations being our Australian operations (SkyMesh Pty Limited) and, our Nordics business (Bigblu Norge AS) (together, the "Continuing Group"). In addition, the Company also continues to hold a minority interest in Quickline following its disposal to Northleaf.

The disposal of the Group's majority holding in Quickline to Northleaf, was agreed in April 2021 and completed in June 2021 after Shareholder approval. Northleaf are a global private markets investment firm with US$18 billion in private equity, private credit and infrastructure commitments under management. The consideration due to the Company following the Disposal was total cash of up to £41.2m of which £31.1m was paid on completion, with a further maximum £10.1m deferred contingent consideration that is subject to certain performance conditions being met by 31 March 2022, or in certain circumstances, 31 May 2022; and £5.6m being satisfied in shares (£2.2m) and Loan Notes (£3.4m at an interest rate of 4.5% pa) that were issued to the Group on completion and an additional award of Loan Notes (with an option to convert partially into equity) of up to £1.8m subject to the conditions of the deferred contingent consideration also being met.

At the time of the announcement of the Disposal, the Board of the Company made it clear that it would explore means of returning any surplus cash to shareholders within BBB's current financial year. Following completion of the Disposal, and receipt of the initial cash consideration, the Company had outstanding gross debt of £8.4m and gross cash of approximately £41m.

After due and careful consideration of the investment requirements, and opportunities, of the Group, the Board announced the return of £26.1m in aggregate to Shareholders and chose to implement this as a return of capital through a bonus issue of a new class of B shares, which the Company redeemed for cash in order to return 45 pence per Ordinary Share to Shareholders. This transaction return of value was completed in October 2021 following shareholder approval. In addition, the Company repaid the balance of all outstanding debt (£8.4m) and secured a new facility with its bank Santander, of £5m. As at 30 November 2021, this facility remained undrawn.

Given the strength of the balance sheet, the Board remains focused on delivering further increases in shareholder value from its Continuing Operations through organic growth, with the view of possible acquisitions in the territories we operate in. The financial review will therefore focus primarily on the performance of the Continuing Operations.

Financial Review

Total Like-for-Like results - Including Continuing and Discontinued Operations

Total revenue including recurring airtime and other income (equipment sales and installation sales) covering continuing operations for 12 months and discontinued operations to the date of disposal, was £30.3m (FY20: £27.2m).

Adjusted EBITDA covering continuing operations for 12 months and discontinued operations to the date of disposal was £5.3m (FY20: £4.6m), representing an adjusted EBITDA margin of 16.9% (FY20: 23.0%).

Depreciation, excluding 'right of use assets', decreased to £2.7m in FY21 from £5.6m in FY20 in line with the reduced scale of the continuing operations but reflecting increased investment in the Nordic region.

Amortisation reduced to £21k in FY21 from £1.6m in FY20 and related to the assets of the discontinued operations. FY20 included an impairment charge of £0.2m for our investment in JHCS which was fully integrated into the books and operations of Quickline.

Finance costs were £0.9m in FY21 (down £6.2m on FY20 (FY20: £7.1m), with £0.3m (FY20: £1.1m) relating to the revolving credit facility (RCF), £0.5m relating to the costs associated with the settlement of the £8.4m (being the write off of capitalised debt raise costs £0.5m on the original £30m RCF) debt repayment and £0.1m for lease interest (£0.1m related to the discontinued business). This reduction from FY20 was due to the repayment of the Company's BGF redemption premium (£5.5m) following the refinancing.

Financial Review - Continuing Operations

Key Performance Indicators for Continuing Operations

The Group utilises a number of Key Performance Indicators ('KPI's') to measure performance against our strategy. A description of these KPI's and performance against them for continuing operations is set out below.

KPI	2021	2020	Description	2021 performance
Customer Base	**58,832**	**57,215**	Represents total gross organic connections plus acquisitions, less disposals, less lost customers (churn) and base management, including demounting	4.4% increase
Underlying Customer Net Organic Connections	**6,024**	**6,161**	Represents gross organic connections in the period less lost customers (churn) in the period. Excludes exceptional churn of 4.4k customers associated with the demounting program in Norway	Connections split c.4k Australia and c.2k Norway
Gross Underlying Churn	**21.3%**	**21.7%**	Gross underlying churn defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period and excludes exceptional churn in association with the demounting program in Norway	Slight decline in underlying churn. Underlying churn rate of 28.6% in Australia and 15.2% in Norway (39% in Norway Including demounting churn). Net churn (incl Norwegian demounting was 28.1% versus 21.7% in FY20)
ARPU	**£39.30**	**£36.65**	Calculated by dividing total revenues from all sources by the average customer base	Higher by 7.2% due to improved product mix and increased recurring revenues up 5% to 94%
Revenue	**£27.1m**	**£23.4m**	Like for like "LFL" revenue treat acquired/disposed businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency and changes in the commercials of the PPP contract and accounting treatment for Grants.	Total Revenue increased by 15.8%. LFL revenues in 2020 were £23.4m, after £0.1m of currency movements, resulting in a 15.3% increase LFL revenues of £3.5m on a constant currency basis.
Adjusted EBITDA	**£4.6m**	**£4.1m**	Earnings before share based payments, depreciation, intangible amortisation, impairment costs, acquisition costs, one-off employee related costs, deal related costs and start-up costs is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based payments, acquisition costs and fund-raising fees.	LFL EBITDA increase of 11.1% driven by organic revenue growth. EBITDA Margin % held constant at c 17% despite increased marketing spend of £0.4m
Adjusted Operating Cash Flow - Continuing Operations	**£5.2m**	**(£0.4m)**	Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items.	Adjusted Operating cash inflow due to increased EBITDA, and improvement in Working capital

KPI	2021	2020	Description	2021 performance
Adjusted Free Cash Flow – Continuing Operations	**£2.1m**	**(£2.6m)**	Cash (used)/generated by the Group after investment in capital expenditure and servicing debt.	Adjusted Free Cash Flow improved in year following improvements in EBITDA and working capital. There was capital expenditure in the year of £2.2m to support the upgrading projects in Norway
Basic EPS	**46.9p**	**16.8p**	Basic Earnings per share (EPS) is the portion of the Continued and discontinued business's profit (£27.0m) divided by the weighted average number of shares.	Reflects gain on disposal of majority interest in Quickline to Northleaf, together with improved underlying trading
Adjusted EPS	**4.3p**	**1.9p**	Adjusted Earnings per share (EPS) is the Continued business's profit after tax (£2.5m) before exceptional costs divided by the weighted average number of shares.	Improved due to underlying trading performance and lower underlying interest and taxation

Total customers at the period end including in flight customers for continuing operations were 59k (FY20: 57k). During the year we delivered underlying 6k net adds (FY20: 6k) This is summarised as follows:

	FY21 000	**FY20 000**	Comments
Organic			
Opening base	**57.2**	**51.1**	
Inflight customers	1.3	1.0	30.0% increase
Gross Adds	19.1	18.0	6.1% increase
Churn	(14.4)	(12.9)	11.6% increase
Underlying Net Growth	**6.0**	**6.1**	
Exceptional churn	(4.4)	0.0	
Closing Base	**58.8**	**57.2**	

Underlying churn rates (defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period) decreased to an average annualised churn rate of 21.3% in FY21 (FY20: 21.7%), before exceptional churn of 4.4k.

In our Nordics business underlying churn was 15.2% (39% including exceptional demounted customers). (FY20: 34.8%).

In our Australian business underlying churn was 28.6% (FY20: 20.3%) due to a number of technical challenges on the Skymuster plus product which we are working with NBNCo on resolving.

In the first three months of FY22, underlying churn has reduced, and importantly we are starting to roll out next generation products in Australia, New Zealand and Norway.

Continuing Operations - Revenue

Total revenue including recurring airtime and other income (equipment sales and installation sales) for continuing operations for the period increased by £3.7m (16%) to £27.1m (FY20: £23.4m). Total revenue on a like-for-like constant currency basis increased in the year by 15.3%, (FY20: increase 4.3%) as the Group continued to add customers during the year with higher ARPU.

ARPU, calculated by dividing total revenues from all sources by the average customer base, in 2021 was £39.30 per month (FY20: £36.65) due to higher revenues, specific to the Skymuster Plus products in Australia.

Revenue in the period from satellite was £21.7m (FY20: £17.2m) which reflected continued strong organic growth in our Australian business, and revenue from fixed wireless reduced to £4.6m (FY20: £6.2m), due to the known challenges faced in the period by our Nordics fixed wireless businesses including the demounting of loss-making mast infrastructure.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts and monthly subscriptions, was £25.6m in the period, representing 94% of total continuing revenue (FY20 £21.1m representing 89% of total revenue).

Continuing Operations - Margins and profitability

Gross profit margins remained materially in line with previous year at c.45%. (FY20: c.46%)

Distribution and Administrative Expenses, pre-exceptional costs, increased to £9.2m (FY20: £8.4m) due to increased headcount costs and marketing costs. Post items identified as exceptional in nature, these expenses increased to £13.1m (FY20: £8.6m) representing 48.2% of revenue (FY20: 36.5%) due to specific deal related and operational exceptional costs.

Adjusted EBITDA increased 11% for the period at £4.6m representing an adjusted EBITDA margin of c17% compared to £4.1m in FY20 and an adjusted EBITDA margin of c17%.

Continuing Operations analysis

A reconciliation of the adjusted EBITDA to adjusted PAT of £2.5m (FY20: £1.1m profit) is shown below:

		2021 £000	2020 £000
Adjusted EBITDA	**1**	**4,577**	**4,126**
Depreciation	**2**	(1,390)	(1,335)
Amortisation	**3**	-	(18)
Adjusted EBIT		**3,187**	**2,773**
Share based payments		(163)	(332)
Continuing Operations operating profit – pre-exceptional items		**3,024**	**2,441**
Exceptional items relating to M&A and restructuring activities	4	(3,922)	(158)
Continuing Operations Statutory operating (loss)/profit – post exceptional items		**(898)**	**2,283**
Adjusted EBIT		**3,187**	**2,773**
Underlying interest	5	(798)	(1,397)
Tax credit/(charge)	6	76	(262)
Adjusted PAT		**2,465**	**1,114**

Group Statutory Results and EBITDA Reconciliation

1. Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related costs, deal related costs and start-up costs) improved 11% to £4.6m (FY20: £4.1m).

2. Depreciation increased to £1.4m in FY21 from £1.3m in FY20 due to the capitalisation of costs associated with the upgrading project in Norway (£1.9m) and IT systems setup in Australia (£0.2m)

3. Underlying amortisation reduced to Nil from £18k in FY20 as a result of historic acquisitions being fully written down. During the year we undertook a full review of carrying value of Goodwill, with the review resulting in no requirement for an impairment.

4. The Group incurred expenses in the period, that are considered exceptional in nature and therefore appropriate to identify. These comprise:
    a. £2.0m (FY20: £0.3m) of acquisition, deal, legal and other costs relating to M&A and restructuring activities during the period. These costs comprise mainly professional and legal fees.
    b. £0.4m (FY20: £0.1m credit release of overprovision) employee restructuring costs primarily in the Nordics.
    c. £0.6m (FY20: £nil) associated with the cost of the demounting program in Norway
    d. £0.8m costs related to the return of capital to shareholders
    e. £0.1m setup costs for the New Zealand operations

5. The interest charge in the year related to the RCF facility with Santander (£0.7m) and lease liabilities (£0.1m). In FY22 we expect the interest charge to be materially lower on the existing facility

6. The tax credit relates to our Australia business Skymesh charge of £0.2m, and a deferred tax credit adjustment in our Norwegian business BB Norge of £0.3m

Customer Base, Revenue, Adjusted EBITDA in FY21 and the comparative period for Continuing Group is segmented by the following categories as follows:

	Customer Base				Revenue			Adjusted EBITDA		
	2021		2020		2021	2020		2021	2020	
	Number 000's	%	Number 000's	%	£m	£m	%	£m	£m	%
Australia	49.7	84%	46.0	80%	21.8	16.6	31%	4.0	2.8	43%
Norway	9.1	16%	11.2	20%	4.6	6.3	(27%)	1.9	2.9	(34%)
Pre-Central	58.8	*100%*	57.2	*100%*	26.4	22.9	15%	5.9	5.7	4%
Central Revenue and Costs[1]	-		-		0.7	0.5	40%	(1.3)	(1.6)	19%
Total	**58.8**	***100%***	**57.2**	***100%***	**27.1**	**23.4**	16%	**4.6**	**4.1**	11%

[1] *Central revenue includes recharges for post-sale services and central costs include finance, IT, HR and plc costs.*

Customer Base by Technology and Region

	2021 Satellite 000's	2021 Fixed Wireless 000's	2021 Total 000's	%	2020 Satellite 000's	2020 Fixed Wireless 000's	2020 Total 000's	%
Australia	42.4	7.3	49.7	84%	40.1	5.9	46.0	80%
Norway	1.6	7.5	9.1	16%	2.3	8.9	11.2	20%
Total	**44.0**	**14.8**	**58.8**	**100%**	**42.4**	**14.8**	**57.2**	**100%**

From the above analysis for Continuing Operations year on year movements from a Customer Base, Revenue, Adjusted EBITDA and product mix perspective are analysed as follows:

1 Australasia

   a. Strong organic customer net growth of 3.7k (underlying 4.0k before exceptional churn of 0.3k due to product issues with the Skymuster Plus impacting churn) over the course of the year
   b. The increase in revenue of £5.2m was a result of the continued organic growth in customer numbers and an improved APRU.
   c. Importantly, EBITDA improved by 43% following continued cost efficiencies across the company.

2 Norway

   a. Net underlying customers growth was 2.0k before exceptional churn of 4.1k customers associated with the demounting and cancellation of loss-making mast and contracts.

b. Consequently, revenue in the year reduced £1.7m due to the loss of these customers.
c. Notwithstanding the above, adjusted EBITDA reduced by only £1.0m in the year due to strict overhead cost controls implemented during the year.

3 PLC
a. Revenue was 40% higher at £0.7m due to the support services
b. With lower costs this resulted in EBITDA losses improving by 19% at £1.3m.

Cashflow performance

Adjusted Free Cash Flow in the year before exceptionals and M&A activities undertaken by the Group was an inflow of £2.1m (FY20: outflow £2.6m). This reflects improved EBITDA and working capital management offsetting increased capital investment.

The underlying cash flow performance analysis seeks to clearly identify underlying cash generation within the Continuing Group, and separately identify the cash impact of identified exceptional items including refinancing, fundraising M&A activity cash costs and is presented as follows:

		2021 £000	**2020 £000**
Adjusted EBITDA		**4,577**	**4,126**
Release of Grant	1	-	(144)
Underlying movement of working capital	2	1,742	(3,227)
Forex and other non-cash items	3	(1,085)	(1,111)
Adjusted operating cash inflow/(outflow) before interest, tax Capex and exceptional items	**4**	**5,234**	**(356)**
Tax and interest paid	5	(906)	(1,262)
Purchase of Assets	6	(2,208)	(954)
Adjusted free cash inflow/(outflow) before exceptional and M&A items		**2,120**	**(2,572)**
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	7	(3,922)	(156)
Free cash inflow/(outflow) after exceptional items		**(1,802)**	**(2,728)**
Investing activities	8	31,041	37,222
Movement in cash from Discontinued operations	9	(2,209)	(2,029)
Movement in working capital from discontinued operations	10	(2,339)	(3,885)
Financing activities	11	(34,796)	(19,263)
(Decrease) / Increase in cash balances		**(10,105)**	**9,317**

1) Release of deferred grant income to revenue in the year £nil (FY20: £0.1m)

2) Underlying movement in working capital was an inflow of £1.7m (FY20: outflow £3.2m). Working capital benefitted from increased creditor terms and deferred payment of creditors whose invoices received just prior to the year end.

3) Forex and non-cash inflow of £1.1m (FY20: Outflow £1.1m) relate to the exchange movement in the Condensed consolidated statement of comprehensive income and the Condensed consolidated statement of financial position, as well as costs/income where there is no impact on operating cashflow.

4) This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £5.2m inflow (FY20: £0.4m outflow), and an adjusted operating cash flow to EBITDA conversion of 114% (FY20: negative 5%).

5) Tax and interest paid was £0.9m (FY20: £1.3m) on a like-for-like basis. This covers interest on the RCF facility (£0.4m) and monthly taxation paid by our Australian business (£0.5m). Final corporation tax calculations for the financial year show year on year tax savings in excess of £0.8m with a refund of £0.2m due on the tax paid in the year following substantial investment.

6) Purchases of assets in FY21 were £2.2m. These purchases included the fixed wireless investment in Norway of £1.6m, installations and IT costs of £0.5m and other £0.1m

7) Exceptional items relating to M&A and restructuring costs of £3.9m as disclosed on page 15 and 16 above. (FY20: £0.2m)

8) Sales proceeds from the disposal of subsidiaries were £31.1m cash (excluding consideration satisfied by equity investments) less the purchase of intangibles (£0.1m), compared to £37.2m in FY20.

9) Relates to cash of £2.2m (FY20: £2.0m) retained by the disposed entities in the year

10) Represents the movement in the Group's working capital due to the deconsolidation of the disposed businesses.

11) In FY21 the major financing activities included the return of capital to shareholders of £26.1m outflow, the repayment of the Santander RCF facility £8.4m together with £0.8m lease principal payments, offset by the issuance of shares from the exercise of options generating an inflow of £0.4m. For FY20 the outflow of £19.3m comprised the:
- draw down of £29.4m from the RCF with Santander relating to a refinancing of external debt, to repay the HSBC plc RCF (£8.25m) and BGF Loan Notes (£12.0m). A further £21m was repaid to Santander after disposal of the subsidiaries.
- £2.0m, net, was received from further investment by the non-controlling interests of Quickline.
- The principal element of lease payments was an outflow of £1.4m
- The payment of the BGF redemption premium was an outflow of £5.5m
- The payment of the BGF penalty interest was an outflow of £1.2m

Net Cash / (Debt) reconciliation

	2021 £000	2020 £000
Opening Net Cash / (Debt)	**7,419**	**(14,198)**
Loss after tax from Continuing operations	(1,620)	(4,213)
Interest charge	798	6,835
Depreciation	1,390	1,335
Amortisation	-	18
Tax (credit) / charge	(76)	262
Share Based payments	163	332
Exceptional costs	3,922	157
Adjusted EBITDA	**4,577**	**4,126**
Release of Grants	-	(144)
Forex movement and other non-cash	(1,085)	(1,111)
Movement in Working Capital	1,742	(3,227)
Cash inflow/(outflow) from Continuing operations	**5,234**	**(356)**
Interest paid	(411)	(1,186)
Tax paid	(495)	(76)
Underlying inflow/(outflow) from Continuing operations	**4,328**	**(1,618)**
Purchase of Assets	(2,208)	(954)
Adjusted inflow/(outflow) Continuing operations Free Cash Flow	**2,120**	**(2,572)**
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(3,922)	(156)
Adjusted free cash inflow/(outflow) after exceptional and M&A items	**(1,802)**	**(2,728)**
Investment activities (Pre cash used and retained by Discontinued operations)	31,041	37,222
Movement in working capital from discontinued operations	(2,339)	(3,885)
Financing activities	(34,796)	(19,263)
Movement in Cash from Continuing operations	**(7,896)**	**11,346**
(Outflow) / Inflow in cash from Discontinued operations	(2,209)	(2,029)
Movement in Net Cash	**(10,105)**	**9,317**
Decrease in Debt	**7,887**	**12,300**
Closing Net Cash	**5,201**	**7,419**

Cash and net debt for the overall Group is summarised as follows:

	2021 £000	2020 £000
Opening Net Cash / (Debt)	7,419	(14,198)
(Increase) / Decrease in loans: offset in financing activities		
Facilities Received	-	(29,400)
Facilities Repaid	7,887	41,700
Cash inflow/(outflow) from operating activities	(1,640)	(5,670)
Cash generated/(used) in investing activities	22,591	26,646
Cash (outflow) used from financing activities	(31,056)	(11,659)
Movement in Net Cash	(2,218)	21,617
Closing Net Cash	**5,201**	**7,419**
Composition of closing net debt		
Net cash and cash equivalents	5,201	15,306
Bank loans	-	(7,877)
Other loans	-	(10)
Net Cash	5,201	7,419
Net Cash		
Net cash and cash equivalents	5,201	7,419
Discontinued operations cash	-	(2,209)
Adjusted net cash	5,201	5,210
Adjusted Net Cash (Debt) / Adjusted EBITDA	**1.13x**	**1.26x**
Adjusted Net Cash (Debt) inc IFRS16 / Adjusted EBITDA	**0.82x**	**0.59x**

Net cash reduced from £7.4m in FY20 to a net cash position of £5.2m, a reduction of £2.2m in the year, as detailed in the net cash/(debt) reconciliation above and after the repayment of the debt (£8.4m) and the return of Capital (£26.1m)

The table above excludes the lease liabilities of £1.4m (FY20: £2.7m). Including this amount would give a total adjusted net cash of £3.8m (FY20: Adjusted net cash £2.5m) and a ratio of adjusted net cash to adjusted Group EBITDA before IFRS 16 of 0.82x (FY20: Adjusted net cash 0.59x).

Consolidated Statement of Financial Position

There was a step change in the balance sheet following

- The performance in the year with increased Revenue (£27.1m) and EBITDA (£4.6m)
- The disposal of the Group's UK fixed wireless operations to Northleaf for an initial consideration of £31.1m and the removal of the non-controlling interest
- The return of capital (£26.1m) and the repayment of the debt with Santander (£8.4m)

Fixed Assets reduced in the year to £4.1m (FY20: £10.9m), following the sale of assets within the discontinued business (£6,9m net of purchases) and the purchase of new fixed assets (£2.2m), less disposals (£0.6m), and adjusted for depreciation provided in the year (£1.4m) and foreign exchange movements (£0.1m).

Intangible Assets decreased to £5.6m (FY20: £12.0m) following the sale of the discontinued business and underlying amortisation of Nil in FY21 (FY20: £0.1m). Following a review in FY21 there was no requirement for an impairment of the carrying value of the Company's goodwill.

Goodwill and Amortisation	**FY21 £000**	**FY20 £000**
Underlying Amortisation	-	18
Reported Amortisation	-	18

Working Capital

Inventory days increased to 13 days (FY20: 11 days) as we purposefully increased stock holdings in Norway to support the "Whitelabel" offering from December 2021 given global shortages which has continued into FY22. This accounted for 4 days

Debtor days decreased to 7 days (FY20: 11 days) following improved collections

Creditor days increased to 81 days (FY20: 73 days) due to agreed revised extended payment terms with suppliers where setting up new operations.

Earnings per share

	2021	**2020**
Basic earnings per share	**46.9p**	**16.8p**
Diluted earnings per share	**45.6p**	**16.6p**
Basic adjusted earnings per share	**4.3p**	**1.9p**

As a result of the material exceptional profit, and non-underlying costs in the year as detailed above, the Group delivered a basic profit per share of 46.9p (2020: basic profit per share of 16.8p) and fully diluted profit per share of 46.4p (2020: fully diluted profit per share of 16.6p). Adjusted earnings per share (before exceptional items) was a profit per a share of 4.3p (2020: profit per share of 1.9p).

Basic EPS

Basic EPS improved to a profit of 46.9p per share in FY21 from a profit of 16.8p in FY20, largely due to the sale of the discontinued businesses in FY20 and FY21.

Diluted EPS

Diluted EPS is a calculation used to gauge the quality of a company's earnings per share (EPS) if all share options are exercised. Diluted EPS improved to a profit of 45.6p per share in FY21 from a profit of 16.6p in FY20

Basic adjusted earnings per share

Basic EPS improved to a profit of 4.3p per share in FY21 from a profit of 1.9p in FY20, largely due to the improved performance of the Continued businesses.

Streamlined Energy and Carbon Reporting

Large UK companies are required to report their levels of greenhouse gases (GHG) emissions in their annual report and accounts. This obligation is for Scope 1 (direct) and Scope 2 (indirect) emissions, only to the extent that emissions are the responsibility of the Company. Direct emissions originate from combustion of natural gas and fleet vehicles, whilst indirect emissions are based on purchased electricity. Scope 3 emissions are included below only to the extent that the Company is responsible for purchasing the fuel.

Emissions are calculated following the UK Government GHG Conversion Factors for Group Reporting 2020 and UK Government Environmental Reporting Guidelines. Emissions are based on the Group's UK sales and operations. An intensity ratio of carbon dioxide equivalent (CO2e) per £1m of revenue has been selected which will allow a comparison of performance over the time and with other similar types of businesses. The data below represents the GHG emissions from the UK disposal Quickline for the period up to the 10 June 2021 and shows a 36% reduction in the selected intensity rate compared to the previous year. Continuing UK operations comprising only central and head office functions emit less than 40MWh and are regarded as a low energy user. Accordingly, no emission or energy consumption figures for the Company are included in the following table.

	2021 Tonnes CO2e	2020 Tonnes CO2e
Source of Emissions		
Direct Emissions – Scope 1 – Gas and Vehicle fleet	113	193
Indirect Emissions – Scope 2 – Electricity	3	10
Indirect emissions – Scope 3 – Employee cars	-	5
Gross Emissions	116	208
Turnover – UK discontinued operations £m	3.2	3.7
Tonnes CO2e per £1m of revenue	35.6	55.6
Energy consumption used to calculate emissions – MWh	846	469

We are currently reviewing ways to address the emissions which are typically higher in the initial stages of infrastructure build but reduced significantly once completed.

Accounting standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the EU. There have been no changes to IFRS standards this year that have a material impact on the Group's results. No forthcoming new IFRS standards are expected to have a material impact on the financial statements of the Group.

Dividend

The directors do not recommend the payment of a dividend (2020: £Nil)

Going Concern

The Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plan for the next 12 months, from the date of signing, and post the disposal of the UK Fixed Wireless business in June 2021. The Group is currently loss-making, before the gain on the sale of the discontinued business, mainly as a result of amortisation and exceptional charges. The business continues to grow customer numbers and revenue in key target markets and continues to monitor the short-term business model of the Group.

The Board have identified the key risks and these include

- Slower revenue growth, EBITDA and cash generation if sales activities, installations or activations decrease over the period
- Reduced ARPU if market pressures result in discounting customer products to support them
- Increased churn could be experienced if services levels are not as expected due to volumes of traffic, personnel shortages and capacity constraints
- Increased bad debt as customers suffer income loss
- Increased CAPEX costs to support growth targets or shipping delays

The Board also recognises a number of significant mitigating factors that could protect the future going concern of the business. These include:

- The COVID-19 situation has resulted in a significant increase in demand for our products as the global workforces move more to flexi home working
- Super-fast Broadband is already an essential utility for many and even more so now, it is likely to be one of the last services that customers will stop paying for
- Increased self-install / tripods to offset any installation delays
- Reduced CAPEX / discretionary spend
- Support from Network Partners for the business and customers
- Strong support from banking partners

The Board has conducted stress tests against our business performance metrics to ensure that we can manage any continuing risks that COVID-19 may continue to present over the year. We recognise that a number of our business activities could be impacted, and we have reflected these in this analysis including supply chain disruptions, delays in sales or installations, earnings, or cash generation. By modelling sensitivities in specific KPIs such as volume of activations, churn, ARPU, margin, overhead and FOREX, management is satisfied that it can manage these risks over the going concern period.

Furthermore, management has in place and continues to develop robust plans to protect EBITDA and cash during this period of uncertainty and disruption. Under this plan identified items include reducing discretionary spend, postponing discretionary Capex, reducing marketing, freezing all headcount increases, working with suppliers on terms particularly our network partners and ultimately seeking relief, as appropriate, from the various forms of Government support being put into place.

As a consequence, despite the risks to businesses still associated with the COVID-19 pandemic, the Board believes that the Group is well placed to manage its business risks and longer-term strategic objectives, successfully. The latest management information shows a strong net cash position, and in terms of volumes, ARPU and churn, we are in fact showing a strong position compared to prior year and budget and indeed the business is seeing a significant increase in demand across all main territories as a result of government's response to COVID-19 resulting in the remote working of individuals across our key territories. Accordingly, we continue to adopt the going concern basis in preparing these results.

On behalf of the Board

Frank Waters

Chief Financial Officer

21 March 2022

Bigblu Broadband plc

Condensed consolidated statement of comprehensive income

12 months ended 30 November 2021

Continuing Operations	**Notes**	**2021 £'000**	**2020 £'000**
Revenue from contracts with customers		27,067	23,428
Cost of sales		(14,899)	(12,594)
Gross profit		**12,168**	**10,834**
Distribution expenses	2	(8,734)	(6,494)
Administrative expenses	2	(4,332)	(2,057)
Operating profit		**(898)**	**2,283**
Finance costs	3	(798)	(6,834)
(Loss) before tax		**(1,696)**	**(4,551)**
Taxation on operations		76	(262)
(Loss) from continuing operations		**(1,620)**	**(4,813)**
Profit from discontinued operations	4	28,373	14,244
Profit for the year		**26,753**	**9,431**
Other comprehensive expense			
Foreign currency translation difference		(355)	(202)
Total comprehensive income for the year		**26,398**	**9,229**

Total comprehensive income for the year is attributable to:			
Owners of Bigblu Broadband Plc		**26,682**	**9,456**
Non-controlling interests		**(284)**	**(227)**

Earnings per share from profit attributable to the ordinary equity holders of the company			
Total - Basic EPS	**5**	**46.9p**	**16.8p**
Total - Diluted EPS	**5**	**45.6p**	**16.6p**
Continuing operations – Basic EPS		(2.8p)	(8.3p)
Continuing operations – Diluted EPS		(2.7p)	(8.3p)
Discontinued operations – Basic EPS		49.7p	25.1p
Discontinued operations – Diluted EPS		48.3p	24.9p

Adjusted earnings per share from continuing operations attributable to the ordinary equity holders of the company			
Continuing operations - Adjusted Basic EPS	**5**	**4.3p**	**1.9p**
Continuing operations - Adjusted Diluted EPS	**5**	**4.2p**	**1.9p**

Bigblu Broadband plc

Condensed consolidated statement of financial position

As at 30 November 2021

	Notes	2021 £'000	Restated 2020 £'000	Restated 2019 £'000
Assets				
Non-current assets				
Property, plant and equipment	10	4,090	10,876	15,865
Intangible assets	11	5,576	11,968	29,362
Investments	12	5,672	-	52
Deferred tax asset	19	709	501	643
Total non-current assets		**16,047**	**23,345**	**45,922**
Current assets				
Cash and cash equivalents	14	5,201	15,306	5,989
Inventory	15	699	896	3,911
Trade and other receivables	16	4,917	3,798	8,325
Total current assets		**10,817**	**20,000**	**18,225**
Total assets		**26,864**	**43,345**	**64,147**
Current liabilities				
Trade and other payables	17	(9,420)	(12,507)	(32,461)
Provisions for liabilities and charges	17	(685)	(1,468)	(328)
Total current liabilities		**(10,105)**	**(13,975)**	**(32,789)**
Non-current liabilities				
Other payables	18	(835)	(2,628)	(4,409)
Loans	18	-	(7,877)	(20,187)
Deferred tax liability	19	(13)	(104)	(234)
Total non-current liabilities		**(848)**	**(10,609)**	**(24,830)**
Total liabilities		**(10,953)**	**(24,584)**	**(57,619)**
Net assets		**15,911**	**18,761**	**6,528**
Equity				
Share capital	20	8,749	8,638	8,636
Share premium	20	8,589	34,180	34,161
Share option reserve	21	-	2,614	2,282
Capital redemption reserve	21	26,120	-	-
Other equity reserve	21	-	1,294	271
Foreign exchange translation reserve	21	(2,430)	(2,569)	(2,225)
Reverse acquisition reserve	21	(3,317)	(3,317)	(3,317)
Listing cost reserve	21	(219)	(219)	(219)
Merger relief reserve	21	-	5,972	5,972
Retained losses		(21,581)	(32,403)	(42,412)
Capital and reserves attributable to owners of Bigblu Broadband Plc		**15,911**	**14,190**	**3,149**
Non-controlling interests		-	4,571	3,379
Total equity		**15,911**	**18,761**	**6,528**

Bigblu Broadband plc

Condensed consolidated Cash Flow Statement

12 Months Ended 30 November 2021

	2021 £'000	2020 £'000
Loss after tax from Continuing operations	(1,620)	(4,813)
Profit after tax from Discontinued operations	28,373	14,244
Profit for the year including discontinued operations	26,753	9,431
Adjustments for:		
Interest charge	852	7,108
Gain on disposal of subsidiaries	(28,942)	(18,928)
Goodwill impairment	-	213
Amortisation of intangible assets	21	1,626
Release of grant creditors	(285)	(772)
Depreciation of property, plant and equipment - owned assets	1,834	3,897
Depreciation of property, plant and equipment - ROU assets	836	1,680
Tax (credit) / charge	(76)	316
Share based payments	163	332
Foreign exchange variance and other non-cash items	(332)	(1,110)
Decrease in inventories	39	1,113
(Increase) / Decrease in trade and other receivables	(2,418)	4,527
Increase / (Decrease) in trade and other payables	829	(6,764)
(Gain) / loss on disposals of fixed assets	(8)	(167)
Cash (used in) / generated from operations	(734)	2,502
Interest paid	(411)	(8,171)
Tax paid	(495)	(1)
Net cash outflow from operating activities	(1,640)	(5,670)
Investing activities		
Purchase of property, plant and equipment	(6,009)	(8,679)
Purchase of intangibles	(53)	(907)
Cash transferred out of group in disposed of subsidiaries	(2,533)	(1,035)
Proceeds from sale of property, plant and equipment	92	45
Proceeds from sale of subsidiary	31,094	37,222
Net cash generated/(used) in investing activities	22,591	26,646
Financing activities		
Proceeds from issue of ordinary share capital	435	21
Return of capital to shareholders	(26,120)	-
Proceeds from bank revolving credit facility	2,000	29,400
Loans (paid)	(8,400)	(41,353)
Investment by non-controlling interest	2,000	1,972
Principal elements of lease payments	(971)	(1,699)
Net cash (outflow) generated from financing activities	(31,056)	(11,659)
Net (decrease)/increase in cash and cash equivalents	(10,105)	9,317
Cash and cash equivalents at beginning of year	15,306	5,989
Cash and cash equivalents at end of year	5,201	15,306

Note that the presentation of the cashflow takes into consideration the combined Continued and Discontinued movements in cash

Bigblu Broadband plc

Condensed consolidated Reserves Movement

12 Months Ended 30 November 2021

	Share Capital	Share Premium	Other Reserves	Revenue Reserve	Total
	£000	£000	£000 Note 6	£000	£000
At 1 December 2019	**8,636**	**23,900**	**13,025**	**(42,412)**	**3,149**
Prior year reclassification		10,261	(10,261)		-
Restated balance	**8,636**	**34,161**	**2,764**	**(42,412)**	**3,149**
Acquisition of shares in subsidiary by non-controlling interest				553	553
Profit for the period				9,660	9,660
Issue of shares	2	19			21
Share option reserve			332		332
Foreign Exchange Translation			(344)	(204)	(548)
Equity settled share-based payments			1,023		1,023
At 30 November 2020	**8,638**	**34,180**	**3,775**	**(32,403)**	**14,190**
Acquisition of shares in subsidiary by non-controlling interest				422	422
Profit for the period				27,037	27,037
Issue of shares	111	324			435
Share option reserve			163		163
Foreign Exchange Translation			139		139
Return of Capital		(25,915)	16,077	(16,282)	(26,120)
Other comprehensive expense				(355)	(355)
At 30 November 2021	**8,749**	**8,589**	**20,154**	**(21,581)**	**15,911**

Non-Controlling Interest

The profit attributable to shareholders of £27.3m (2020: £9.7m profit) is the profit for the financial year of £22.6m (2020: £9.4m profit) after adjusting for the add back of the loss attributable to non-controlling interests of £0.3m (2020: £0.2m loss). Due to the disposal in the year the carrying value of the non-controlling interest is nil.

Bigblu Broadband plc

Notes to the financial statements

For the period ended 30 November 2021

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the full year to 30 November 2021.

The nature of the Group's operations and its principal activities is the provision of last mile (incorporating Satellite and Wireless) broadband telecommunications and associated / related services and products.

The Group prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed further. The principal accounting policies set out below have been consistently applied to all the periods presented in these financial statements, except as stated below.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review. In addition, the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

In the year to 30 November 2021 the Group generated an adjusted EBITDA from continuing operations before a number of non-cash and start-up costs expenses as shown on page 16, of £4.6m (2020: £4.1m), and with cash inflow from operations before interest, tax and capital expenditure, of £5.2m (2020: outflow of £0.4m) and a net reduction in cash and cash equivalents of £10.1m in the year (2020: increase £9.3m). The Group balance sheet showed net cash and cash equivalents at 30 November 2021 of £5.2m (2020: £15.3m) after the repayment of debt (£8.4m) and the Return of Capital (£26.1m).

Having reviewed the Group's budgets, projections, prospective covenant compliance, and funding requirements, and taking account of reasonable possible changes in trading performance over the next twelve months, particularly in light of COVID-19 risks and counter measures, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures as outlined in the Strategic report to reduce costs and free cash flow. The latest management information in terms of volumes, debt position, ARPU and Churn are in fact showing a positive position compared to prior year and budget as a result of each government's response to COVID-19 resulting in the remote working position of individuals across our key territories. The forecasts for the combined Group projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Estimates and judgments

The preparation of a condensed set of financial statements requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities at each period end. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

In preparing these condensed set of consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were principally the same as those applied to the Group's and Individual company's financial statements for the year ended 30 November 2021.

Prior year reclassification

The prior year reclassification relates to the treatment of share capital issued in connection with previous acquisitions made during the year ended 30 November 2018. From a review of the Company's distributable reserves, it was identified that the Merger Relief did not apply to the portion of shares allotted where consideration was settled in cash. As a result, the premium arising on these allotments of £10.3m (stated net of the relevant apportionment of attributable issue costs) should have been credited to the Share Premium account at the time, and a reclassifcation of reserves as at 1 October 2019 has been made accordingly. Net assets and results for both periods presented in these financial statements are not impacted by this adjustment.

Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of Bigblu Broadband plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions have been eliminated in full.

2. Distribution and Administration Expenditure

Distribution and administration costs for the continued operations are analysed below. This is non-GAAP information, in which the allocation is unaudited

	FY21 £000	FY20 £000
Employee related costs	5,103	5,050
Marketing and communication costs	1,119	664
Logistics, Finance, IT, banking, insurance AIM and Other costs	1,369	994
Underlying costs	**7,591**	**6,708**
% of Revenue	**28.0%**	**28.6%**
Depreciation	1,390	1,335
Amortisation	-	18
Underlying Depreciation and Amortisation	**1,390**	**1,353**
% of Revenue	**5.1%**	**5.8%**
Share based payments	163	332
Professional, legal and related costs associated with corporate activity	3,922	158
Identified Exceptional Costs	**4,085**	**490**
% of Revenue	**15.1%**	**2.1%**
Total	**13,066**	**8,551**
% of Revenue	**48.2%**	**36.5%**

3. Interest Payable and Finance Costs

	2021 £'000	2020 £'000
BGF unsecured loan interest payable	-	55
Bank loan interest payable	-	87
Revolving Credit Facility interest payable	747	1,117
Lease interest expense	105	262
Total interest payable	852	1,521
BGF Penalty Interest	-	1,408
BGF redemption premium and finance charges	-	4,179
Total finance costs	852	7,108
Finance costs include the following amounts charged to the discontinued operations:		
Bank loan interest payable	38	170
Lease interest expense	16	104
Total interest payable	54	274
Interest split as follows:		
Continued business	798	6,834
Discontinued business	54	274
Total interest payable	852	7,108

Interest in the Condensed consolidated statement of comprehensive income is total finance costs less the element associated with the discontinued business.

The Revolving Credit Facility interest payable is in respect of the Santander facility.

4. Profit and loss on Discontinued Operations

On 10 June 2021 QCL Holdings Ltd together with its subsidiaries was sold to Northleaf and is reported in the current year as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

On 30 September 2020 Bigblu Operations Ltd together with all its subsidiaries was sold to Eutelsat SA and was reported in the prior year as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Group financial information for 2020 set out below is thus a combination of these two discontinued operations.

Financial performance and cash flow information

	2021	2020
	£'000	**£'000**
Revenue	3,091	28,908
Expenses	(3,896)	(33,983)
Loss before tax	(805)	(5,075)
Taxation on operations	(53)	391
Loss after tax of discontinued operations	(858)	(4,684)
Gain on sale of the subsidiary after tax (see below)	25,925	18,928
Adjustment to fair value of deferred consideration	3,306	-
Profit from discontinued operations	**28,373**	**14,244**
Exchange differences on translation of discontinued operations	-	(294)
Other comprehensive income from discontinued operations	-	(294)
Net cash inflow/(outflow) from operating activities	(3,133)	6,635
Net cash inflow from investing activities	25,531	27,555
Net cash (outflow) from financing activities	1,666	996
Net increase in cash generated by the subsidiaries	**24,064**	**35,186**

Details of sale of subsidiary

Consideration received or receivable:		
Cash	31,094	37,222
Investments	5,600	-
Fair value of contingent consideration	-	449
Total disposal consideration	36,694	37,671
Carrying amount of net assets sold	(13,660)	(16,058)
Elimination of non-controlling interest	5,865	-
Expenses of sale	(2,974)	(1,217)
Other Provisions	-	(1,468)
Gain on sale before tax	25,925	18,928
Corporation tax expense on gain	-	-
Gain on sale after tax	**25,925**	**18,928**

5. Profit / (Loss) per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

Reconciliation of the profit/(loss) and weighted average number of shares used in the calculation are set out below:

		30 November 2021	
	Profit/(Loss) £'000	Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Profit for the financial year	26,753		
Add: adjustment for non-controlling interest share of losses	(284)		
Basic EPS - Profit attributable to shareholders	27,037	57,697,017	46.9
Adjusted EPS - Profit attributable to shareholders from continuing operations	2,465*	57,697,017	4.3
Basic Diluted EPS – Profit attributable to shareholders	27,037	59,251,343	45.6
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations	2,465*	59,251,343	4.2

		30 November 2020	
	Loss £'000	Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Profit for the financial year	9,431		
Add: adjustment for non-controlling interest share of losses	(227)		
Basic EPS - Loss attributable to shareholders	9,658	57,589,857	16.8
Adjusted EPS - Profit attributable to shareholders from continuing operations	1,114*	57,589,857	1.9
Basic Diluted EPS – Profit attributable to shareholders	9,660	58,027,855	16.6
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations	1,114*	58,027,855	1.9

The profit attributable to shareholders of £27.0m (2020: £9.7m profit) is the profit for the financial year of £26.8m (2020: £9.4m profit) after adjusting for the add back of the loss attributable to non-controlling interests of £0.3m (2020: £0.2m loss).

* Whilst this is a non-GAAP measure, the profit attributable to shareholders from continuing operations is £2.5m (2020: £1.1m profit) after adjusting for the gain from the sale of the discontinuing operations and adding back exceptional costs.

6. Other capital reserves

	Listing Cost Reserve £000	Merger Relief Reserve £000	Reverse Acquisition Reserve £000	Other Equity Reserve £000	Foreign Exchange Translation Reserve £000	Capital Redemption Reserve £000	Share Option Reserve £000	Total Capital Reserves £000
At 30 December 2019	(219)	16,233	(3,317)	271	(2,225)	-	2,282	13,025
Prior year reclassification		(10,261)						(10,261)
Restated balance	(219)	5,972	(3,317)	271	(2,225)	-	2,282	2,764
Other equity				1,023				1,023
Foreign Exchange Translation					(344)			(344)
Credit to equity for equity settled Share based payments							332	332
At 30 November 2020	**(219)**	**5,972**	**(3,317)**	**1,294**	**(2,569)**	**-**	**2,614**	**3,775**
Return of Capital		(5,972)		(1,294)		26,120	(2,777)	16,077
Other equity								
Foreign Exchange Translation					139			139
Credit to equity for equity settled Share based payments							163	163
At 30 November 2021	**(219)**	**-**	**(3,317)**	**-**	**(2,430)**	**26,120**	**-**	**20,154**

- Listing cost reserve
  - The listing cost reserve arose from expenses incurred on AIM listing.
- Other equity reserve
  - Other Equity related to the element of the BGF Convertible Loan which has been grossed up but may be shown net.
- Reverse acquisition reserve
  - The reverse acquisition reserve relates to the reverse acquisition of Bigblu Operations Limited (Formerly Satellite Solutions Worldwide Limited) by Bigblu plc (Formerly Satellite Solutions Worldwide Group plc) on 12 May 2015.
- Foreign exchange translation reserve
  - The foreign exchange translation reserve is used to record exchange difference arising from the translation of the financial statements of foreign operations.
- Capital Redemption reserve
  - The capital redemption reserve relates to the cash redemption of the bonus B shares issued in order to return c.£26m to ordinary shareholders.
- Share option reserve

    - The share option reserve is used for the issue of share options during the year plus charges relating to previously issued options.
- Merger relief reserve
    - The merger relief reserve relates to the share premium attributable to shares issued in relation to the acquisition of Bigblu Operations Limited (Formerly Satellite Solutions Worldwide Limited)

7. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes.

8. Availability of the Full Year Report

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at Broadband House, The Old Bakery, Victoria Road, Bicester, OX26 6PB. The Company is registered in England No. 9223439.

A copy of the full year report will be available in May and can also be downloaded from the Company's website at https://www.bbb-plc.com